

NAVSTABREMINST 5340.1  
03  
12 May 99

NAVAL STATION BREMERTON INSTRUCTION 5340.1

From: Commanding Officer, Naval Station Bremerton

Subj: SOLICITATION AND CONDUCT OF PERSONAL COMMERCIAL AFFAIRS

Ref: (a) SECNAVINST 1740.2D  
(b) DODDIR 5500.7R (Joint Ethic Regulation)

Encl: (1) Certification of Knowledge of Solicitation Regulations

1. Purpose. To publish the policy and regulations concerning solicitation and conduct of all private commercial activities on board Naval Station Bremerton and other areas under the authority of the Commanding Officer, Naval Station Bremerton, including Navy housing areas.

2. Definition. "Solicitation" means the conducting of a private business, including the selling or attempting to sell goods, services, and commodities. The one-time sale of personal property is not considered as solicitation for purposes of this instruction.

3. Background

a. Per reference (a), the solicitation or transaction of any private business on any military installation is a privilege, and may be conducted only with the prior written authorization of the installation commander. The Staff Judge Advocate's office may authorize solicitation by direction of the Commanding Officer.

b. Solicitation is prohibited in areas where classified operations are being conducted and may be prohibited in other areas for any other relevant security reasons. Solicitation may be prohibited subsequent to authorization when deemed to be in the best interest of national security.

c. Per reference (b), to eliminate the appearance of coercion, intimidation or pressure from rank, grade, or position, naval personnel are prohibited from any personal solicitation or sale to members who are junior in grade or rank. This prohibition is applicable to activities on or off an installation, in or out of uniform, while on or off duty, and includes, but is not limited to, the personal solicitation of real estate, or other commodities, goods, or services. As used in this paragraph, "personal commercial solicitation" refers to those situations

where a military member is employed as a sales agent on commission or salary and contacts prospective purchasers suggesting they buy the commodity, real or intangible, that is being offered for sale. Reference (b) also contains a prohibition against use of government facilities, property, etc., for other than officially approved purposes by the Commanding Officer, Naval Base Bremerton, via the Staff Judge Advocate's office.

4. Procedures. Solicitation will be subject to the following procedures and restrictions.

a. Commercial solicitation will be permitted only when:

(1) Authorized by the Commanding Officer.

(2) A specific prior appointment has been made with the individual, concerned for a meeting to take place at the individuals base residence only.

(3) The solicitor is duly licensed, and if an insurer, accredited under applicable federal, state, or municipal laws, and has complied with the Commanding Officer's regulations regarding registration and pass control procedures.

(4) The solicitor has read and signed an acknowledgment that he/she will comply with all applicable regulations and instructions and will not engage in prohibited solicitation.

b. Persons desiring to engage in commercial solicitation will submit in writing, to the Commanding Officer via the Staff Judge Advocate office, the following information:

(1) A request for permission to solicit.

(2) The name of the company/agency being represented, and plans, items, services, commodities, etc., offered.

(3) A business/home address and telephone number where he/she may be contacted.

c. Prior to being allowed the privileges of solicitation, the agent shall be furnished a copy of the Department of Defense (DoD) regulations concerning solicitation. The agent must indicate, by signing a copy of the Certification of Knowledge of Solicitation Regulations, enclosure (1), that they read and understand the applicable regulations and that they further understand that a

violation of the regulations may result in the withdrawal of solicitation privileges. Solicitation privileges may be granted for a period not to exceed one year. At the end of each one year period, the solicitor will be notified that they may request renewal for an additional one year period upon submission of a written application and a current license (if required).

5. Withdrawal of Privileges. Solicitation privileges may be suspended or withdrawn for cause and will be reported to higher authority per reference (a) or applicable directives.

6. Private Home Enterprises. The Commanding Officer may authorize military family members residing in family housing to conduct limited commercial activities in their assigned quarters, under the following guidelines.

a. The objective is to recognize such in-home enterprises as the making and selling of handicrafts, baby-sitting service, tailoring, tax return, and similar activities when those activities are conducted by a military family member occupying the housing unit. Commercial retail and service activities customarily conducted out of commercial premises are not within the intent of this policy. Home enterprises authorized on an installation must be in good taste and conducive to a community atmosphere. Activities which would tend to bring individuals or the installation into disrepute will not be authorized. Sale of brand name merchandise which is not available to patrons of military resale activities will not be construed as competing with the installation's officially authorized commerce.

b. Potential government liabilities, prospective advertising practices, and impact on community appearance, tranquillity, and safety will be considered before authorizing private home enterprises.

c. Requests must be made and approved in writing in advance, and must be conditioned on compliance with the policy and procedures in this instruction.

7. Policy. Granting permission for solicitation is not a command endorsement or approval of the company or agency, but merely indicates that the agency or company met all requirements for solicitation.

8. Action. A member who is contacted by solicitors without prior appointment or who is aware of or suspects irregular solicitation practices by an individual, should make these facts or suspicions

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known as soon as possible to the Staff Judge Advocate office. Violation of this instruction or DoD regulations concerning solicitation is punishable by administrative or punitive action per the Uniform Code of Military Justice and/or trial in federal court, where such violations are punishable by a fine of \$10,000 or imprisonment for not more than six months one year, or both.

/S/

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CERTIFICATION OF KNOWLEDGE OF SOLICITATION REGULATIONS

1. There will be no solicitation before a "mass" or "captive audience," such as an assembly or General Military Training.
2. Agents will not be permitted to address or attend meetings, classes, mass formations, or any other assembly of Navy or Marine Corps personnel. It is immaterial that such assembly is for other purposes and the agent's appearance is incidental.
3. Solicitation will be on an individual basis, by prior appointment only, and during other than the duty hours of the person solicited. Meetings between an individual and an agent may take place at assigned family quarters in Navy housing areas. In the case of an individual who resides in Bachelor Quarters, an interview or meeting must take place at either the Billeting Office or the Quarter-deck. Appointments will be limited to the hours of 0800 to 2200 weekdays and Saturdays. Solicitation on Sundays and holidays is not authorized.
4. Rebates of any nature as incentives will not be accepted by military or civilian personnel employed by the station or tenant activities. Unethical practices, such as those involving rebates or elimination of full compensation, will not be permitted.
5. Military persons on active duty are EXPRESSLY PROHIBITED from representing any commercial company on a U.S. Government installation with or without compensation, for the solicitation of life insurance, mutual funds, or other investment plans or commodities.
6. Solicitation on station by the representative of any insurer will not be authorized unless both the insurer and its agents are licensed per all applicable Washington State laws.
7. Members, officers, and enlisted, while on active duty, are prohibited from using their military titles in connection with any commercial enterprise.
8. Insurance policies offered and sold must:
  - a. Contain no restrictions by reason of military service or military occupation specialty of the insured unless such restrictions are clearly indicated on the face of the policy (e.g., war, geographic limitations, aviation exclusions, etc.).
  - b. Plainly indicate any extra premium charges imposed by reason of military occupational specialty.

c. Not provide for a variation in the amount of death benefit or premium depending upon the length of time the policy has been in force, unless any such variations are clearly described therein.

9. The following controls apply to solicitation for the sale of mutual funds, investment plans, securities, and other commodities:

a. Before being permitted on station, individual accredited agents from brokers, securities, mutual funds, or other businesses will be required to meet the licensing requirements of Washington State, and present a notarized statement signed by the agency director containing the name(s) of agent(s) authorized to solicit for the activity on station, and a statement that the activity assumes full responsibility for all acts of the agent(s) actually connected with sale of its plan, items, or services.

b. For each completed transaction, the agent shall be required to furnish the purchaser a report containing:

- (1) Name and address of agent.
- (2) Name of purchaser or investor and rank or rating.
- (3) Name and address or activity.
- (4) Type of investment, service or item.
- (5) Amount of planned monthly investment.

(6) Certification that penalty or surrender charges which might be suffered by the individual have been fully explained to the purchaser if they should terminate the plan or fail to make deposits contrary to the terms contemplated in the purchase agreement.

10. The suspension or withdrawal for cause of solicitation or accreditation privileges will be for good and sufficient reasons only, such as, but not limited to:

a. Violation of DoD, Navy, or station regulations.

b. Substantiated adverse reports from the Washington State Insurance Commissioner, the Armed Forces Disciplinary Control Board, or other authorities, state or federal, or recognized financial or insurance advisory services.

c. The use of any manipulative, deceptive, or fraudulent device, scheme or artifice, including misleading advertising or other misleading sales literature.

d. The solicitation (by mail or otherwise) during the purchase of insurance, service, or commodity when such communications or presentations are outlined or delivered in any manner which gives rise to any appearance that the offer is sponsored by, or has the endorsement of, the DoD or any element thereof.

e. The offering for sale of any insurance policy or rider which fails to meet the requirements of this article.

11. The allotment system is not a convenience to be exploited. Its use is permitted only to provide the individual with a ready means of guaranteeing continuance of protection under adverse circumstances. In this regard, personnel should be counseled that allotments are stopped automatically when a person is placed in a deserter status.

12. The official use of allotment authorization forms reproduced by a non-federal agency or any official form bearing an overprint is prohibited.

13. Personnel in pay grades E-1 through E-3 will be referred by the agent concerned to the Staff Judge Advocate's office for personal counseling prior to the execution of any allotment for the purchase of insurance or other investment program. An interval of at least seven days must elapse between the date a member in one of the above pay grades is counseled by the Staff Judge Advocate's office concerning the purchase and certification of allotment for the payment of a premium or other periodic payment is made. If payments for the first two months were tendered in cash or by some other method, the seven day interval is not necessary. However, this does not alleviate the requirement for counseling by the Staff Judge Advocate office. Upon completion of the required counseling and seven day interval, if required, the allotment forms may be processed per pertinent regulations. Stockbrokers, investment firms, or mutual fund concerns do not qualify as banking institutions and may not be designated by the payee for Class S allotments.

14. Personnel of the command in pay grades E-1 through E-3 will be counseled concerning the purchase of life insurance prior to their processing allotments to pay premiums thereon. In the counseling conducted by the Staff Judge Advocate's office, discussion will include the overall financial obligations of military personnel, as well as the coverage of the policies in question. Further, it will be carefully explained that the

purchase of insurance is a transaction which is intended to continue over a period of years, and that if the insurance policy is allowed to lapse, the individual may not recover more than a nominal amount of the premiums paid; in the case of term insurance there would be no refund. The Staff Judge Advocate's office shall make sure that such transactions are entered into in good faith and only after a full understanding of the agreement by the military member is achieved. The above counseling will be made available, if desired, for personnel other than the three lowest pay grades.

15. I certify that I have read and understand all regulations regarding commercial solicitation. I further understand that violation of any such regulations could result in the withdrawal of my privileges to conduct commercial solicitations on board Naval Station Bremerton or any other area under the authority of the Commanding Officer, Naval Station Bremerton.

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Printed Name

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Signature

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Printed Name of Witness

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Signature of Witness